

## ANALYSIS

This ordinance amends Title 5 – Personnel of the Los Angeles County Code by:

- Amending portions of Section 5.30.020 related to the County of Los Angeles Health Care Reimbursement Plan;
- Amending portions of Section 5.33.040 relating to cafeteria plan contributions for represented employees;
- Amending portions of Section 5.35.020 relating to the Choices Health Care Spending Account;
- Amending portions of 5.36.025 relating to County health insurance contributions for specified non-student part-time employees;
- Amending portions of 5.36.080 relating to Indemnity Dental Insurance Coverage for represented and non-represented employees; and
- Amending portions of 5.37.040 relating to cafeteria plan contributions for represented employees.

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By: 

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RDB:asv  
Requested: 07-25-12  
Revised: 08-09-12

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 5 - Personnel of the Los Angeles County Code, relating to fringe benefits.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 5.30.020 is hereby amended to read as follows:

**5.30.020 Definitions.**

As used herein, the following words and phrases shall have the following meanings respectively, unless the context otherwise requires:

A. "Health Care Reimbursement Account" means an individual account established and maintained for a Participant to which Contributions are periodically credited pursuant to Section 5.27.060F of the Flexible Benefit Plan, Section 5.27.260F of the MegaFlex Benefit Plan, Section 5.28.060F of the Nonpensionable Flexible Benefit Plan, or Section 5.28.260F of the Nonpensionable MegaFlex Benefit Plan, and from which Medical Expenses are paid.

B. "Maximum Amount" means the Contribution amount selected by a Participant (on an election form furnished by the County) for credit to his Health Care Reimbursement Account; provided, however, that such amount shall not be less than \$10.00 per month nor more than \$400.00 per month. Effective January 1, 2013, as required by the Patient Protection and Affordable Care Act, the maximum allowable employee contribution for the Health Care Spending Account is reduced from \$400 to \$200 per month.

C. "Medical Care" means amounts paid (1) for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body; or (2) for transportation primarily for and essential to medical care referred to in (1) above; or (3) for insurance covering medical care referred to in (1) and (2) above. This definition is to be construed in accordance with Section 213(d)(1) of the Code.

D. "Medical Expenses" means all expenses incurred during a Plan Year by a Participant for the Medical Care of himself, his spouse and his dependents (as defined in Section 152 of the Code), irrespective of whether such expenses were incurred in connection with such Participant's employment.

E. "Participant" means a participant in the Flexible Benefit Plan, or a former Eligible Employee for the duration of the Plan Year in which he ceased to be an Eligible Employee.

F. The following terms shall have the same definitions as are specified in Section 5.27.020 of the Flexible Benefit Plan, Section 5.27.220 of the MegaFlex Benefit Plan, Section 5.28.020 of the Nonpensionable Flexible Benefit Plan, and Section 5.28.220 of the Nonpensionable Megaflex Benefit Plan, as applicable.

"Benefits"

"Board"

"CAO"

"Code"

"Contributions"

"County"

"Eligible Employee"

"Plan Year"

**SECTION 2.** Section 5.33.040 is hereby amended to read as follows:

**5.33.040 Contributions.**

**A. Nonelective Contributions.**

1. Except as otherwise provided herein, for each month of the ~~2010~~ 2012 Plan Year (commencing with County pay warrants issued on or about January 15, ~~2010~~ 2012), the County shall contribute to the Plan on behalf of each Participant an amount equal to \$244.00, unless (1) said Participant is entitled to One Party Medical Insurance Coverage with respect to said month, in which case, the County shall contribute an amount equal to ~~\$573.56~~ 659.13, or (2) said Participant is entitled to Two Party Medical Insurance Coverage with respect to said month, in which case, the County shall contribute an amount equal to ~~\$1,046.49~~ 1,202.61; or (3) said Participant is entitled to Three Party Medical Insurance Coverage with respect to said month, in which case, the County shall contribute an amount equal to ~~\$1,236.23~~ 1,420.66.

2. Except as otherwise provided herein, for each month of the ~~2011~~ 2013 Plan Year (commencing with County pay warrants issued on or about January 15, ~~2011~~ 2013), the County shall contribute to the Plan on behalf of each Participant an amount equal to \$244.00, unless (1) said Participant is entitled to One Party Medical Insurance Coverage with respect to said month, in which case, the County shall contribute an amount equal to ~~\$614.86~~ 706.59, or (2) said Participant is entitled to Two Party Medical Insurance Coverage with respect to said month, in which case, the

County shall contribute an amount equal to ~~\$1,121.84~~ 1,289.20; or (3) said Participant is entitled to Three Party Medical Insurance Coverage with respect to said month, in which case, the County shall contribute an amount equal to ~~\$1,325.24~~ 1,522.95.

3. No Nonelective Contribution shall be contributed for any Participant if he has not been in a pay status for at least eight hours during the prior month.

Nonelective Contributions shall be reflected in County payroll warrants issued on or about the fifteenth day of the month following the month in which the requisite pay status was completed. Effective beginning on and after April 1, 2010, or such later date as may be determined by the Chief Administrative Officer when the human resources management system reflecting this provision is implemented, an advance of approximately one-half the monthly Nonelective Contributions received as additional Eligible Earnings in accordance with Section 5.33.050F shall be reflected in County payroll warrants issued on or about the thirtieth day of the month in which the requisite pay status was completed and the remainder of such additional Eligible Earnings shall be reflected in County payroll warrants issued on or about the fifteenth day of the month following the month in which the requisite pay status was completed.

B. Elective Contributions. Each Eligible Employee prior to commencing his participation in the Plan and each Participant prior to the beginning of a Plan Year may irrevocably elect to have an additional dollar amount contributed by the County during a Plan Year for each month that he participates in the Plan as an Elective Contribution, not to exceed his Eligible Earnings for such month, and to have his Eligible Earnings reduced each month by an amount equal to such Elective Contribution; provided, however, that no Elective Contribution shall be contributed for any Participant if he has

not been in a pay status for at least eight hours during the prior month. Such Elective Contribution on behalf of a Participant each month shall equal the amount necessary to fund the Taxable Benefits and/or Nontaxable Benefits chosen by such Participant pursuant to the election procedures set forth in Section 5.33.060, after first applying the Nonelective Contribution for such month to the cost of such Taxable Benefits and/or Nontaxable Benefits. In the event of contractual renegotiation, change in method of funding, or substitution of a Taxable Benefit and/or Nontaxable Benefit during a Plan Year, the County, without prior notice to Participants, may automatically adjust the Elective Contributions made for, and/or the Eligible Earnings paid to, Participants who have selected such Taxable Benefits and/or Nontaxable Benefits, in accordance with increases or decreases in the cost of the Taxable Benefits and/or Nontaxable Benefits. Effective beginning on and after April 1, 2010, or such later date as may be determined by the Chief Administrative Officer when the human resources management system reflecting this provision is implemented, monthly Elective Contributions shall be apportioned over semi-monthly pay periods so that approximately one-half the monthly Elective Contributions shall be deducted from the Participant's Eligible Earnings as reflected in County payroll warrants issued on or about the thirtieth day of the month to which the Eligible Earnings relate and the remainder of the monthly Elective Contributions shall be deducted from the Participant's Eligible Earnings reflected in County payroll warrants issued on or about the fifteenth day of the following month.

**SECTION 3. Section 5.35.020 is hereby amended to read as follows:**

**5.35.020 Definitions.**

As used herein, the following words and phrases shall have the following meanings respectively, unless the context otherwise requires:

A. "Health Care Spending Account" means an individual account established and maintained for a Participant to which Contributions are periodically credited pursuant to Section 5.33.060F of the Choices Plan and from which Medical Expenses are paid.

B. "Maximum Amount" means the Contribution amount selected by a Participant (on an election form furnished by the County) for credit to his Health Care Spending Account; provided, however, that such amount shall not exceed \$125.00 per month during the Plan Year commencing on July 1, 1989, and \$400.00 per month during each subsequent Plan Year. Effective January 1, 2013, as required by the Patient Protection and Affordable Care Act, the maximum allowable employee contribution for the Health Care Spending Account is reduced from \$400 to \$200 per month.

C. "Medical Care" means amounts paid (1) for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body; or (2) for transportation primarily for and essential to medical care referred to in (1) above; or (3) for insurance covering medical care referred to in (1) and (2) above. This definition is to be construed in accordance with Section 213(d)(1) of the Code.

D. "Medical Expenses" means all expenses incurred during a Plan Year by a Participant for the Medical Care of himself, his spouse and his dependents (as defined in Section 152 of the Code), irrespective of whether such expenses were incurred in connection with such Participant's employment.

E. "Participant" means a Participant in the Choices Plan, or a former Participant in said Plan for the duration of the Plan Year in which he ceased to be a Participant.

F. The following terms shall have the same definitions as are specified in Section 5.33.020 of the Choices Plan:

"Benefits";

"Board";

"CAO";

"Code";

"Contributions";

"County";

"Eligible Employee";

"Plan Year."

**SECTION 4.** Section 5.36.025 is hereby amended to read as follows:

**5.36.025 Contribution to health insurance coverage for specified employees.**

Pursuant to Article 1 (commencing with Section 53200) of Chapter 2, Part 1 of Division 2 of Title 5, of the California Government Code, the County will pay a monthly contribution to each group medical/hospital insurance plan administered by the County,



or administered by an employee organization and approved by the County, for each eligible employee who elects to enroll in such plan.

A. The maximum monthly County contribution rates set forth in the table below shall apply with respect to:

1. Monthly temporary and monthly recurrent employees (designed as "O" or "B" in Section 6.28.020 of this Code) who are (a) employed in classifications specifically approved for said special maximum monthly Contribution rates by the board of supervisors, and (b) otherwise entitled to a County contribution toward County-sponsored or County-approved union-sponsored health insurance coverage pursuant to the provisions of this chapter.

2. Monthly permanent 4/5 time employees (designed as "Z" in Section 6.28.020 of this Code), and employed in a classification requiring a license to practice as a registered nurse.

**Maximum Monthly County Contribution— Represented Employees**

<b>Coverage</b>	<b>Effective 1-1-10 <u>12</u></b>	<b>Effective 1-1-11 <u>13</u></b>
Employee	<del>\$481.56</del> <u>\$553.40</u>	<del>\$516.23</del> <u>\$593.25</u>
Employee plus one dependent	<del>\$855.31</del> <u>\$982.91</u>	<del>\$916.89</del> <u>\$1,053.68</u>
Employee plus two or more dependents	<del>\$981.80</del> <u>\$1,128.27</u>	<del>\$1,052.49</del> <u>\$1,209.51</u>

**Maximum Monthly County Contribution— Non-Represented Employees**

<b>Coverage</b>	<b>Effective 1-1-10 12</b>	<b><u>Effective</u> <u>1-1-13</u></b>
Employee	\$445.89	<u>\$477.99</u>
Employee plus one dependent	\$791.95	<u>\$848.97</u>
Employee plus spouse	\$791.95	<u>\$848.97</u>
Employee plus two or more dependents	\$909.07	<u>\$974.52</u>

B. The maximum County contribution for Eligible Employees shall not exceed the amount specified in the memorandum of understanding with LACEA Local 660, SEIU.

The contribution provided for in this chapter shall be made only on behalf of each employee who actually enrolls in such plan. Such contribution shall be made to only one such medical/hospital plan per employee, which contribution may be applied to the premiums paid for coverage of that employee and his dependents. No contribution shall be made on behalf of any employee if he has not been in a pay status at least one day of the prior month.

The provisions of this Section 5.36.025 shall be made operative with respect to County pay warrants issued on or about January 15, 2001.

**SECTION 5.** Section 5.36.080 is hereby amended to read as follows:

**5.36.080 Contributions to Indemnity Dental Insurance Coverage.**

A. For employees enrolled in the County-sponsored Delta Dental Plan, or any successor County-sponsored indemnity dental plan, the County shall provide a monthly subsidy toward the cost of such coverage for each employee and each employee's covered family members, as set forth in Table A, Table B, or Table C below.

**TABLE A**

**Monthly Employer Contribution Rates Applicable to Participants in the Options Cafeteria Benefit Plan Established Under Chapter 5.37**

<b>Coverage</b>	<b>Effective 1-1- 40 12</b>	<b>Effective 1-1- 44 13</b>
Employee only	\$20.59	\$20.59
Employee plus one dependent	36.02	36.02
Employee plus two or more dependents	56.58	56.58

**TABLE B**

**Monthly Employer Contribution Rates Applicable to Participants in the Choices Cafeteria Benefit Plan Established Under Chapter 5.33**

<b>Coverage</b>	<b>Effective 1-1- 40 12</b>	<b>Effective 1-1- 44 13</b>
Employee only	\$20.59	\$20.59
Employee plus one dependent	36.02	36.02
Employee plus two or more dependents	56.58	56.58

**TABLE C**

**Monthly Employer Contribution Rates Applicable to Participants in the Pensionable or Nonpensionable Flexible Benefit Plans Established Under Chapters 5.27 and 5.28, Respectively**

<b>Coverage</b>	<b>Effective 1-1-<del>40</del> 12</b>	<b>Effective 1-1- 44 13</b>
Employee only	\$21.11	\$21.11
Employee plus child(ren)	47.84	47.84
Employee plus adult dependent	40.53	40.53

B. No subsidy shall be payable under this Section 5.36.080 if the applicable employee contribution rate set forth in Table A, Table B, or Table C exceeds the premium for the Delta Dental coverage, or successor indemnity dental coverage. In such event, the County shall be entitled to take such excess as an offset against the costs of the subsidy provided to other dental coverage subscribers.

C. In no event shall the subsidy provided for in this Section 5.36.080 be payable on behalf of any person who is no longer a County employee or who is receiving dental plan coverage by virtue of the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), or any successor federal law.

D. The provisions of this Section 5.36.080 shall first be reflected on County pay warrants issued on or about January 15, 2001.

**SECTION 6.** Section 5.37.040 is hereby amended to read as follows:

**5.37.040 Contributions.**

**A. Nonelective Contributions.**

1. Except as otherwise provided herein, for each month of the ~~2010~~ 2012 Plan Year (commencing with County pay warrants issued on or about January 15, ~~2010~~ 2012), the County shall contribute to the Plan on behalf of each Participant an amount equal to \$228.00, unless (1) said Participant is entitled to One Party Medical Insurance Coverage with respect to said month, in which case, the County shall contribute an amount equal to ~~\$573.56~~ 659.13; or (2) said Participant is entitled to Two-Party Medical Insurance Coverage with respect to said month, in which case, the County shall contribute an amount equal to ~~\$1,046.49~~ 1,202.61; or (3) said Participant is entitled to Three-Party Medical Insurance Coverage with respect to said month, in which case, the County shall contribute an amount equal to ~~\$1,236.23~~ 1,420.66.

2. Except as otherwise provided herein, for each month of the ~~2011~~ 2013 Plan Year (commencing with County pay warrants issued on or about January 15, ~~2011~~ 2013), the County shall contribute to the Plan on behalf of each Participant an amount equal to \$228.00, unless (1) said Participant is entitled to One Party Medical Insurance Coverage with respect to said month, in which case, the County shall contribute an amount equal to ~~\$614.86~~ 706.59; or (2) said Participant is entitled to Two-Party Medical Insurance Coverage with respect to said month, in which case, the County shall contribute an amount equal to ~~\$1,121.84~~ 1,289.20; or (3) said Participant is entitled to Three-Party Medical Insurance Coverage with respect to said

month, in which case, the County shall contribute an amount equal to ~~\$1,325.24~~  
1,522.95.

3. No Nonelective Contribution shall be contributed for any Participant if he has not been in a pay status for at least eight hours during the prior month. Nonelective Contributions shall be reflected in County payroll warrants issued on or about the fifteenth day of the month following the month in which the requisite pay status was completed. Effective beginning on and after April 1, 2010, or such later date as may be determined by the Chief Administrative Officer when the human resources management system reflecting this provision is implemented, an advance of approximately one-half the monthly Nonelective Contributions received as additional Eligible Earnings in accordance with Section 5.37.050F shall be reflected in County payroll warrants issued on or about the thirtieth day of the month in which the requisite pay status was completed and the remainder of such additional Eligible Earnings shall be reflected in County payroll warrants issued on or about the fifteenth day of the month following the month in which the requisite pay status was completed.

B. Elective Contributions. Each Eligible Employee prior to commencing his participation in the Plan and each Participant prior to the beginning of a Plan Year may irrevocably elect to have an additional dollar amount contributed by the County during a Plan Year for each month that he participates in the Plan as an Elective Contribution, not to exceed his Eligible Earnings for such month, and to have his Eligible Earnings reduced each month by an amount equal to such Elective Contribution; provided, however, that no Elective Contribution shall be contributed for any Participant if he has not been in a pay status for at least eight hours during the prior month. Such Elective

Contributions on behalf of a Participant each month shall equal the amount necessary to fund the Taxable Benefits and/or Nontaxable Benefits chosen by such Participant pursuant to the election procedures set forth in Section 5.37.060, after first applying the Nonelective Contributions for such month to the cost of such Taxable Benefits and/or Nontaxable Benefits. In the event of contractual renegotiation, change in the method of finding, or substitution of a Taxable Benefit and/or Nontaxable Benefit during a Plan Year, the County, without prior notice to the Participants, may automatically adjust the Elective Contributions made for, and/or the Eligible Earnings paid to, Participants who have selected such Taxable Benefits and/or Nontaxable Benefits, in accordance with increases or decreases in the cost of the Taxable Benefits and/or Nontaxable Benefits. Effective beginning on and after April 1, 2010, or such later date as may be determined by the Chief Administrative Officer when the human resources management system reflecting this provision is implemented, monthly Elective Contributions shall be apportioned over semi-monthly pay periods so that approximately one-half the monthly Elective Contributions shall be deducted from the Participant's Eligible Earnings as reflected in County payroll warrants issued on or about the thirtieth day of the month to which the Eligible Earnings relate and the remainder of the monthly Elective Contributions shall be deducted from the Participant's Eligible Earnings reflected in County payroll warrants issued on or about the fifteenth day of the following month.

Section 6. Pursuant to Government Code Section 25123(f), this ordinance shall take effect on December 16, 2012 to be operative with respect to County pay warrants issued on or about January 15, 2013.

[530020LSBCEO]